



YOUR CONNECTION TO THE RIGHT MACHINE



ENGINEERED FOR  
**CONTINUOUS GROWTH**

# 1Q2015 Results Presentation

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# Presentation Outline

 Financial Highlights

 Outlook & Recent  
Developments



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# Financial Highlights

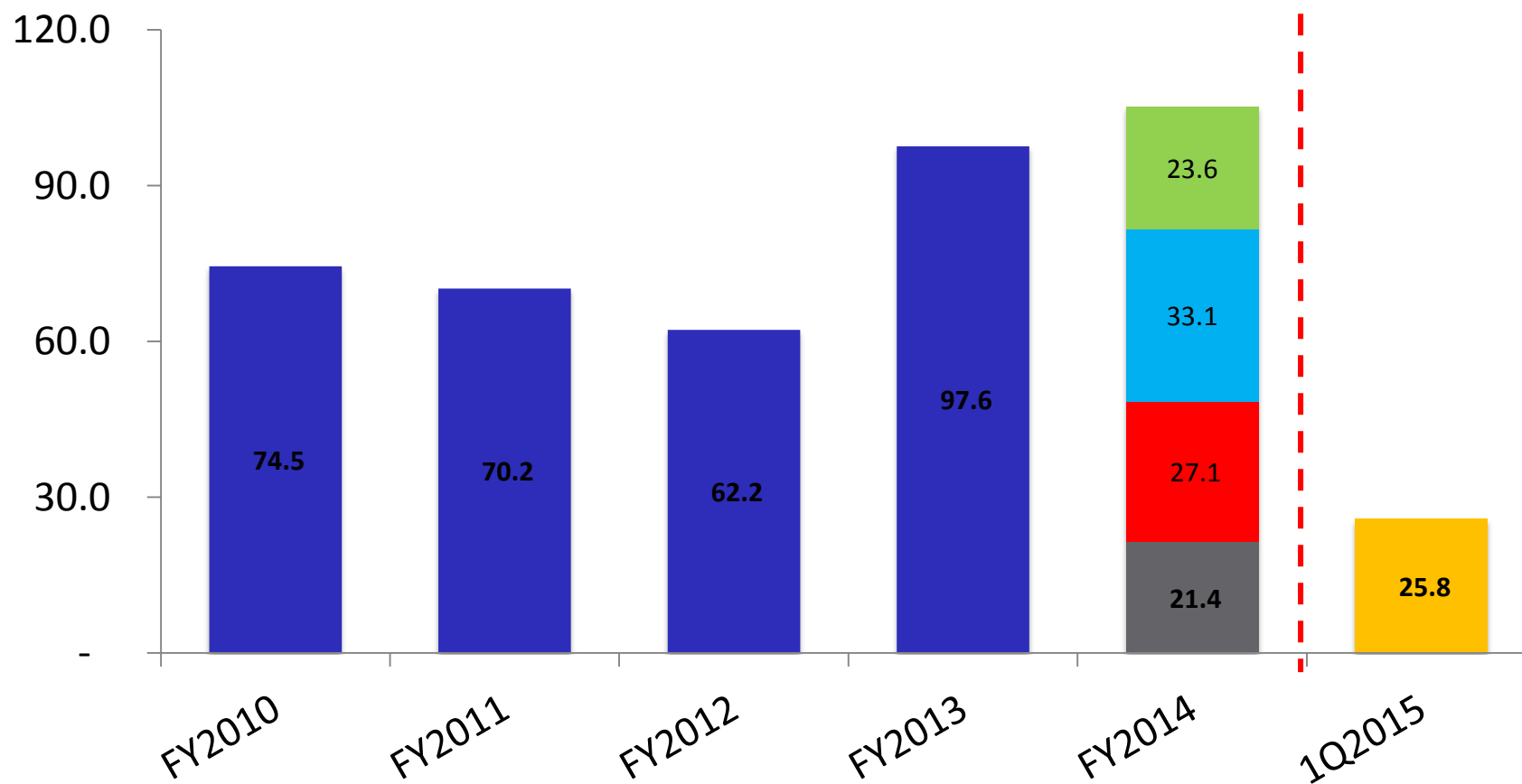
## P&L Snapshot

Profit & Loss	1Q2015 S\$'000	1Q2014 S\$'000	Change %	
Revenue	25,780	21,393	20.5	Increase in revenue due to contribution from MPG
Gross Profit	6,661	5,336	24.8	In line with higher revenue & increase in sales of higher margin products
Gross Profit Margin	25.8%	24.9%	0.9 pp	
Operating Expenses	(4,907)	(2,774)	76.9	Increase due to inclusion of MPG
Operating Profit	1,769	2,973	(40.5)	
Net Profit Attributable to Equity holders	1,400	2,657	(47.3)	
Net Profit Margin	5.4%	12.0%	(6.6) pp	
Fully Diluted Earnings Per Share (S\$' cents) #	0.32	0.69	(53.6)	

#: # Based on 431,343,661 weighted average number of shares for 1Q2015 and 385,004,003 for 1Q2014

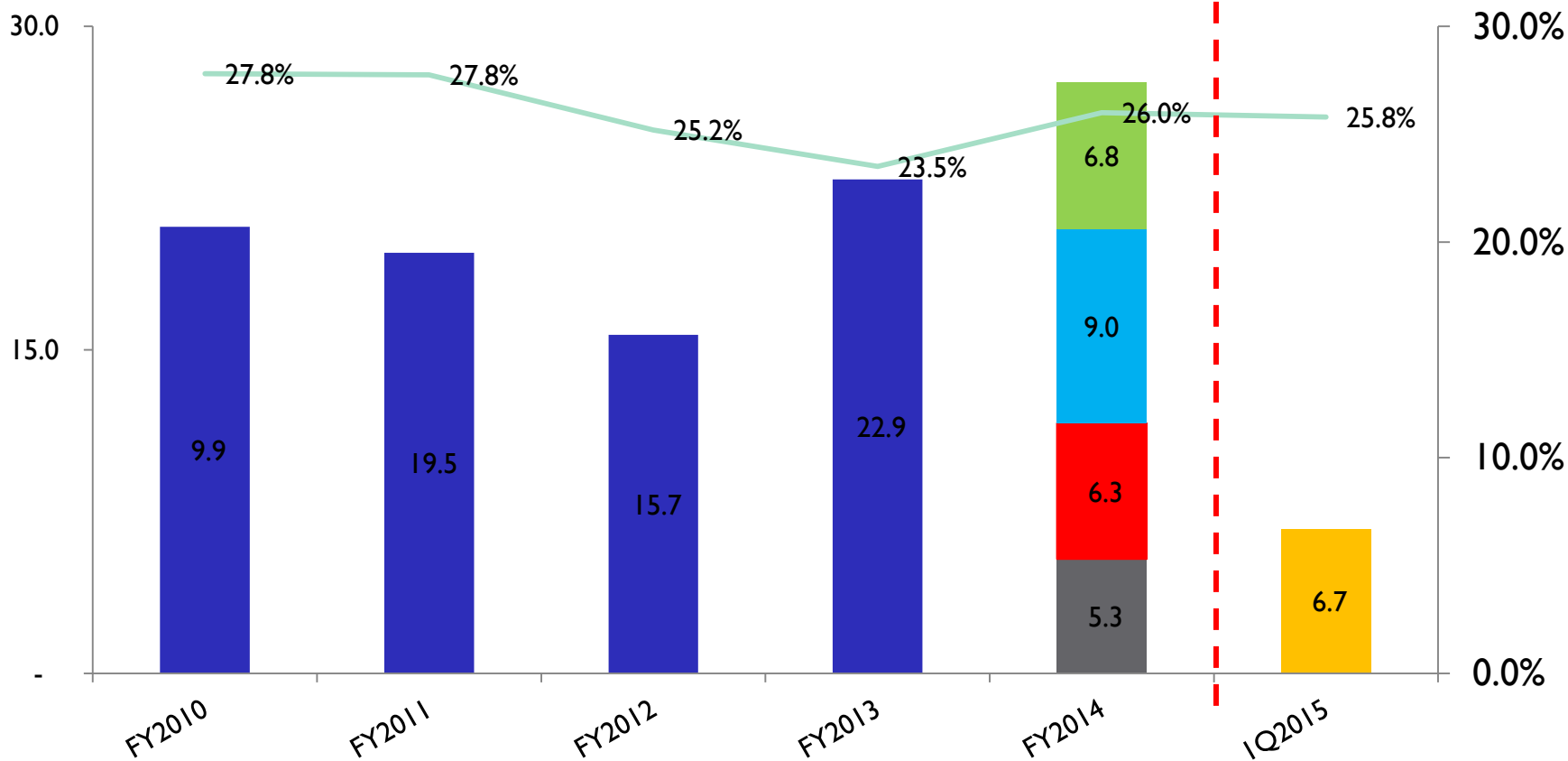
# Revenue

S\$' million

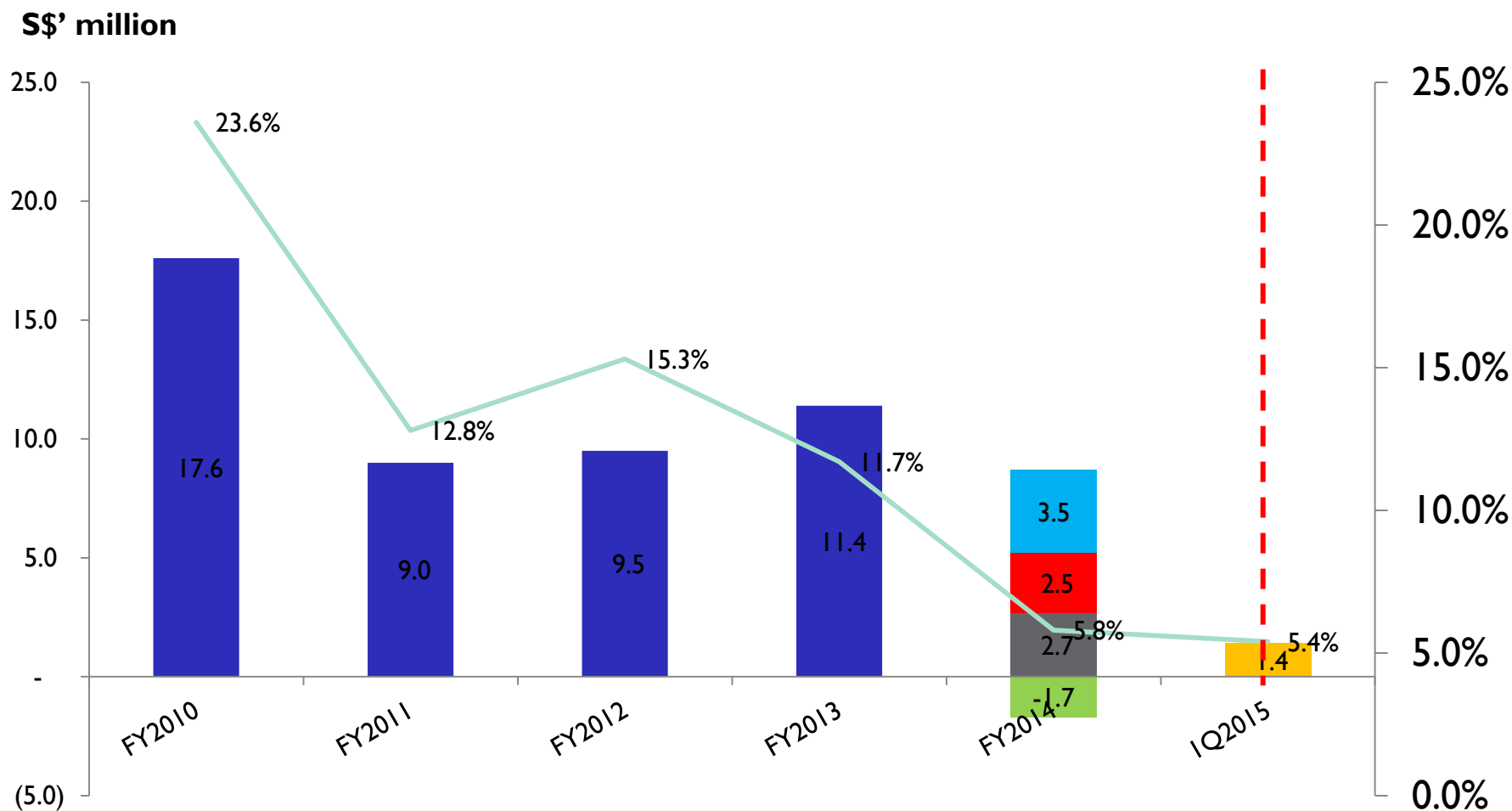


## Profitability Trend (Gross Profit / Gross Profit Margin)

S\$' million



## Profitability Trend (Net Profit / Net Profit Margin)





# Balance Sheet

Balance Sheet	31 July 2014 S\$'000	30 Apr 2014 S\$'000
Property, plant and equipment	9,206	7,455
Inventories	23,725	22,525
Trade and other receivables	11,679	15,380
Contract Work-in-progress	14,822	10,805
Cash and cash equivalents	35,907	36,388
Total equity	59,557	58,381
Net gearing ratio	Net cash	Net cash
Net asset value per ordinary share (S\$' cents)	13.81	13.53



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# Outlook & Strategies



# Outlook

- **Proposed acquisition of Z-Power Automation ongoing**
  - Increases presence in offshore industry
  - Strengthens regional exposure and operations
  - Increased technical knowledge and capabilities
  - Complementary suite of services
- **Potentially benefit from continual growth in oil & gas sector**
  - Increased offshore oil & gas exploration activities
  - Potential replacement of a number of supply vessels which are near their scrap age
- **Fresh exposure and entry to new industries with addition of MPG**
  - MPG's products are supplied to:
    - shipyards and ports,
    - hospitals, education centres, **data centres**,
    - **airports**, hotels and resorts infrastructural projects (roads, bridges, underground tunnels, waste treatment plants etc.)
    - plants and factories
  - **MPG has expertise in the data centre industry; growing demand for data centres in APAC**

# Growth Strategies

- **Exploration of new revenue streams**
  - Focus on expansion of supplier base and secure new distributorships from other manufacturers
  - Received orders for new products XMH currently represents
  - Increase market share in relevant markets by forming strategic partnerships of joint venture
  - **Increased cross selling with targeted addition of Z-Power**
- **Securing new customers in emerging markets such as Vietnam, India**
  - Deploy marketing staff to these regions and/or establish subsidiaries or representative or marketing offices
  - Exploration of new revenue streams and increasing market share in relevant markets
  - Marketing efforts in **Vietnam** and **India** are underway; source actively for sales leads
  - Breakthrough made in Vietnam, efforts underway to expand operations
  - **Vietnamese authorities have decreed that as many as 2,100 new offshore fishing boats and 205 logistic ships are to be built to support fishing activities and contribute to protecting territorial waters**

## Recent Developments (2014)

- **August 2014 – Proposed acquisition of Z-Power Automation**
- **June 2014 - MPG Group secures multiple contracts worth a total of S\$10.57 million**
  - Five contracts from a diverse range of local and regional customers secured from April to June
- **April 2014 – Breakthrough in Vietnam with contract wins; first order for low speed main engine contract**
  - Contracts in Vietnam for more than 24 units of Mitsubishi marine engines, with the Group expecting another 10 units to be secured in the next two months
- **March 2014 – Awards building contract for new 7-storey ramp-up industrial building in Tuas facilities to Soilbuild Construction**
  - Expected to be completed in the second quarter of 2015
  - Land area of 15,184 square meters; facilities to accommodate new assembly and production lines and increase general warehousing capabilities

# Milestones

Secured distribution rights for a wider range of products and brands and began in-house value-added customisation services & genset assembly

Developed a one-stop integrated solution for the propulsion requirements of marine vessels

Acquired Mech-Power Generator Group (MPG) & made breakthroughs in the Vietnamese market

Began construction for new facilities in Tuas for increased warehousing capabilities

Proposed acquisition of Z-Power Automation (ZPA)

**2010s**

**2000s**

**1990s**

Xin Ming Hua ("XMH") incorporated in 1991

Began distribution of new engines and power generating sets under Mitsubishi brand in 1996

**1960 – 80s**

Began resale of used industrial diesel engines and machinery & started modification of engines for customers in the timber industry

Became a leading supplier of used industrial and marine diesel engines and related machinery manufactured in Japan

**1955**

XMH started as a small machinery repair and maintenance shop

# Share Statistics

<b>Bloomberg code</b> <b>Reuters code</b>	XMH SP EQUITY XMHL.SI	
Share Price	S\$0.29	
Market Capitalization (433.7M shares)	S\$125.8 million	
P/E	26.9	
NAV per share	S\$0.13	
Free Float	22.0%	
Substantial Shareholders	Directors	58.0%
	Credence Capital	19.3%

*Source: Bloomberg as at 23 Sept 2014*

# Analyst Calls

House	Call / Target Price
OSK-DMG (Lee YueJer)	BUY / S\$0.42
NRA Capital (Joel Ng)	NEUTRAL / \$0.36





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**THANK YOU**

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